



USAID | AFGHANISTAN

FROM THE AMERICAN PEOPLE

USAID/Afghanistan Strategic Plan

2005-2010

May 2005

Table of contents

Overview.....	1
The policy context of USAID’s strategy	2
Assumptions: Still a fragile state	2
Afghanistan’s goals and programs	2
U.S. Government goals	3
The development challenge	4
Nexus between security and reconstruction and development.....	5
The breadth and complexity of USAID’s mission	5
USAID/Afghanistan Strategic Objectives	7
SO 1: A thriving economy led by the private sector	7
SO 2: A democratic government with broad citizen participation.....	9
SO 3: A better educated and healthier population	10
Program Support System: Synergistic use of linkages and tools to support cross-program components.....	11
Core values and key aspects of the strategy.....	12
Partners in achieving objectives.....	13
Implications of changes in funding scenarios.....	14
Financial parameters	15
Annex 1. Strategic Objectives, Intermediate Results, and Program Components.....	16
Annex 2. Aspects of the strategy: Stability, reform, capacity-building.....	19
Annex 3. Estimated budget allocations	23

Overview

Beyond the engagement of the United States and its allies to eliminate the terrorist networks that found shelter in Afghanistan prior to September 2001, another equally important campaign is being waged in the fight against terrorism and tyranny. This is the struggle to reconstruct, rehabilitate and reintegrate Afghanistan into the world community, so that it never again becomes a haven for terrorism or a threat to its neighbors. USAID is a critical partner in this effort.

The U.S. government and its allies began a relief program even before the war against the Taliban commenced; immediately after the Taliban's defeat, the reconstruction effort began. Three years later, with the help of the international community, Afghanistan has made remarkable progress on many fronts. Following the process established by the Bonn Accords, the Afghan people voted in their first democratic presidential elections. The election was an historical milestone in which more than 70% of eligible voters, including millions of women, participated. Economic growth is accelerating as the security situation continues to stabilize. Agricultural output has doubled, and food security is increasing as both production and distribution systems improve. Fiscal, banking, trade, customs and regulatory reforms are being instituted to help Afghanistan generate revenue that will help them to pay recurrent costs including civil service wages, and the costs of maintaining the newly-trained police and military. Private investment is growing as reconstruction of the country's infrastructure, including power, roads, and water continues. Enrollment in primary school has risen dramatically, particularly for girls, and access to quality basic health services for all is improving. USAID will build on this progress over the five years term of this strategy, improving the economic and social conditions that are the foundation of a secure and stable nation. By laying the groundwork for continued development, USAID will help Afghanistan to take its place among the peaceful and democratic nations of the world.

USAID/Afghanistan's new Strategic Objectives address the extreme fragility, insecurity, and poverty of Afghanistan. It covers three of the four essential tasks in Afghanistan's recovery that are outlined in the Joint USAID-State Department Strategic Plan: economic reconstruction, including the rules and institutions that enable a market economy; rebuilding of a legitimate and capable state governed by rule of law; and social reconstruction, including health and education services and the renewal of a strong civil society. The remaining task is the provision of security, for which other U.S. government agencies are leading the way.

This strategy is designed to set USAID/Afghanistan's strategic direction for the years 2005-2010. This document is not intended to be a detailed operational plan for the implementation of USAID activities, which is accomplished through the Mission's annual report and Congressional Budget Justification documents.

Successful implementation of this strategy will result in the following achievements:

- A robust economy with sustained growth of between 9-11% annually, leading to an increase in household yearly income from \$200 to between \$300 and \$340.
- An accountable and independently functioning electoral administration, judiciary and parliament.
- A growing rural economy that provides viable options to poppy cultivation in 10 priority provinces.
- A balanced power supply including locally-generated and imported sources, increasing available power supply from the current 200MW to 1200MW.
- Seventy-five percent of Afghans having access to basic health care and primary education.

USAID/Afghanistan has included a detailed discussion of the target end-state in each of the sector analyses that serve as annexes to this document.

The policy context of USAID's strategy

The policy context of USAID/Afghanistan's strategy is a nexus of its conditions of fragility, insecurity, and poverty, the Afghan government's planned response to these conditions, and the U.S. government's guidance for engagement with states under these conditions.

Assumptions: Still a fragile state

USAID programming priorities have shifted in priority. In the first year, the program was essentially managed from Washington and funds were quickly moved to respond to the humanitarian emergency resulting from five years of Taliban rule. As fledgling government institutions and more concrete visions of a stable state emerged, funds focused on quick impact infrastructure projects, built by foreign funds and expertise. The process continues to evolve. Quick infrastructure projects continue, but more funding is being targeted towards a third stage, focusing on increasing the capacity of Afghans to design and build their own future.

Afghanistan will continue to be a fragile state with high though diminishing security risks and extreme poverty throughout the country during the next five years. The culture of corruption remains and without attention will continue to be an obstacle to positive change. Because of this precarious situation, USAID/Afghanistan will continue to require a funding mechanism that allows it maximum flexibility and the ability to move funds quickly. It will also need a high level of funding that reflects US national interest in retaining its current position as the lead donor, giving it critical influence on the way Afghanistan recovers from its past and moves forward. To ensure the success of recovery, this high level of funding, as proposed in Annex 3, is required over the five year strategy period.

During this period of recovery, "symbolic" projects, such as schools, clinics, roads, and other physical infrastructure, designed to show the Afghan people quick and beneficial short term impacts, will continue. The visible impact gains interest and support for longer term capacity building efforts, which are the key to recovery and the follow-on transformation development strategy.

Within the context of this situation, the Mission assumes positive trends, including:

- A national leadership that remains a key U.S. ally in the war against terrorism and supports reconstruction and development and avoidance of an extra-constitutional leadership crisis;
- Security conditions remain stable enough to continue reconstruction and development activities;
- The U.S. and other members of the international community continue to regard stability in Afghanistan as critical to their national interests and as a result, continue to invest in security and sustained democratization and economic development at high levels;
- Steady progress in rebuilding basic infrastructure including initiatives beyond the scope of USAID.

Afghanistan's goals and programs

The transitional Afghan government set broad objectives for reconstruction and sustained growth, which are set out in a series of policy documents and programming initiatives. The first is the

National Development Framework (NDF), presented in 2002, which rests on three development pillars and budgets: (1) Humanitarian assistance and social policy to create the conditions for people to live secure lives and to lay the foundations for the formation of sustainable human capital; (2) External assistance for rebuilding physical infrastructure that lays the basis for a private sector-led growth strategy, and (3) Sustainable growth, through creation of a competitive private sector that becomes both the engine of growth and the instrument of social inclusion.¹ **Securing Afghanistan's Future**, published in 2004, elaborates on the NDF in terms of sector programs over the next seven years. The **National Priority Program (NPP)**, which is currently under development, lays out a broad set of national priorities to be addressed in collaboration with development partners.

The 2002 NDF suffered from a dearth of data on conditions across the country. In the meantime, much more complete information has been collected through a National Risk and Vulnerability Assessment in 2003, a rural survey taken in every district of the country between July and October of 2003²; a pre-census in 2004; and focused studies by donor and lender agencies and Afghan and other research organizations.

Using recent data and other sources of information and recommendations, the new government will update the NDF in 2005. To do this, it is using a process similar to an Interim Poverty Reduction Strategy Plan process (I-PRSP), and will call the new strategy the **National Development Strategy**. The NDS will summarize the current knowledge and analysis of Afghanistan's poverty situation, describes the existing poverty reduction strategy, and lays out the process for producing a fully developed PRSP in a participatory fashion. This document should respond to requirements of International Financial Institutions to advance progress on loans and grants from the World Bank, IMF and other International Financial Institutions. The update will build on the policy papers written subsequent to the initial NDF and key donor policy frameworks and strategies. The process will strive to align all of these through an iterative process that engages all parties, including external agencies and communities throughout the country. USAID, through targeted funding and direct mentorship, can play a leadership role among external agencies in helping the Afghan government update priorities and programs. USAID will play a similar leadership role among external agencies in helping harmonize donor and government strategies.

U.S. Government goals

The planned end state for the period of this strategy is that Afghanistan will achieve the basic social and economic conditions needed for long-term sustainable development to occur. The U.S. government is committed to helping Afghanistan rebuild its political, economic, and social institutions so that quality of life improves for all citizens and it is never again becomes a failed state. Through USAID support, Afghanistan's stability and security will continue to improve, requiring a less robust international military presence. In addition to targeted sectoral projects, USAID will support Afghanistan to overcome the cross-sectoral obstacles that impede social and economic progress. These development challenges include improving the capacity of government to manage public affairs, the reintegration of ex-combatants into civilian life or formal military and police units, the protection and management of natural resources, and promoting a voice for women in Afghan society. USAID's strategy will contribute to a stable and secure environment in which the core principles of development are fully functioning.

The **Joint State-USAID Strategic Plan** for 2004-2009 calls for "a stable and democratic Afghanistan." The joint strategy envisions an Afghanistan with internal and external security to

¹ Afghanistan, Rebuilding Our Nation, Afghanistan's National Programme for Reconstruction.

² Feinstein Famine Center at Tufts University

ensure economic reconstruction, political stability, and stem the rise in opium production; and a stable, effective, and broadly representative central government. It calls for economic development to bolster this new government and reduce dependence on donors, and it pledges to help the people meet their critical humanitarian needs while reconstruction proceeds.³

USAID's Strategic Plan for 2005-2010 contributes directly to the Joint State-USAID Strategic Plan to **advance sustainable development and global interests**. Although security goals are outside USAID's mandate, its objectives also contribute significantly to the Joint aim: **achieve peace and security**. In particular, they support the U.S. government's counter-terrorism and international crime and drugs programs.

The development challenge

USAID's Strategy addresses three different though interrelated conditions in the country: fragility, insecurity, and poverty.

- First, decades of war, the collapse of the Taliban government in 2001, and the nearly complete absence of social services characterize Afghanistan as an extremely *fragile state*, emerging from a failed-state status. The strategy follows the guidance of USAID's **Fragile States Strategy**⁴; it responds to the urgent need on a broad front to provide services and to build legitimate governance and economic institutions. In this respect, the mission is implementing simultaneously a broad range of projects at a rapid pace, showing immediate visible results and promising positive change. It takes into account competing demands of a range of stakeholders, particularly many diverse and warring ethnic groups, and a growing urban population as well as a rural population spread thinly over a vast territory.
- Second, Afghanistan is categorized as a *strategic state*, key to the U.S. top-priority strategic goal of promoting stability and democracy in the Middle East and Central Asian regions. Ethnic mistrust and imbalance of power, slow progress on demobilization, and external extremist influences threaten both national and international security. The strategy is thus closely aligned with other U.S. government efforts to restore the faith of insurgents and militias in the ability of the new government to bring peace and stability. In this context, it draws upon the Agency's January 2004 guidance in implementing the **National Security Strategy**.⁵
- Finally, *poverty is widespread*, and the confluence of warlords and narco-patronage threatens the potential for growth of a legitimate economy and effective government. To change these conditions, the government's new leadership has clearly defined long-term development goals, essential to success. As the leading development agency in the mix of U.S. agencies present in Afghanistan, USAID's strategy adheres to the principles of development and reconstruction and asserts their increasing importance as the country recovers and moves forward.

Afghanistan's ability to address the root causes of fragility, insecurity, and poverty is constrained by persisting conditions:

- The physical, political and regulatory infrastructure cannot yet support sustained economic growth, while rapid economic growth is already taking place;

³ Strategic Plan Fiscal Years 2004 – 2009, Aligning Diplomacy and Development Assistance, U. S. Department of State and U. S. Agency for International Development.

⁴ USAID Fragile States Strategy, PD-ACA-999, January 2005.

⁵ U.S. Foreign Aid: Meeting the challenges of the twenty-first century (January 2004). USAID/PPC.

- Competent workers, technicians, professionals and leaders are in dire short supply in the private and public sectors;
- While the will to act is strong, government institutions at all levels are weak, under-resourced, and lack coordination, and are tainted by high levels of corruption;
- Commitment to constitutionalism and the rule of law is not yet proven, and most citizens have only a minimal awareness of their rights;
- In general, women are in a position of extreme inequality and the degradation of their social, political and economic rights thwarts their participation in the transition and reconstruction;

USAID will address the root causes of instability through support to economic and social programs that improve the quality of life for Afghans and reduce the influence of foreign extremist influences. As Afghans perceive that their situation, and the situation of the country, is improving, they will be more inclined to support a national government. The growing ability of the government to manage public affairs, including raising and managing revenues, will ensure that sustained economic progress allows Afghanistan to meet its recurrent budget costs. When Afghanistan is able to plan and deliver basic social services for its population, as well as for civil service wages and the costs of maintaining a police and military force, USAID will have succeeded in its goal of laying the groundwork for continued development.

Nexus between security and reconstruction and development:

While not part of USAID's charge in Afghanistan, all activities are nonetheless geared towards increasing security. The USAID strategy offers the Afghan people more opportunities than they have had in the recent past. There is overwhelming evidence that the vast majority of Afghans want a "normal" life – to earn a living and support their families. USAID programs will continue to offer hope and opportunities, providing jobs, and new structures for self governance. Continuing focus on teacher training and basic education will increase literacy, exposing people to new ways of doing things. The Presidential and upcoming Parliamentary elections increase the legitimacy of governing structures, especially the central government, strengthening its ability to secure the countryside. Economic growth will result in sustainable jobs, helping people focus on supporting their families. Overall anti-corruption activities will ultimately weaken warlords, leading to increased security in the regions.

USAID Field Officers, posted with Provincial Reconstruction Teams are and will continue to develop relationships with the local governing structures, the *shuras*. Over the next five years, the role of the PRT Field Officers will increase as some are given project management responsibilities. In every case, when local communities are aware of activities, such as school and clinic construction, and they agree to them, they provide security to contractor staff. USAID will continue to use FPOs to ensure that activities are "bought into" by local communities. Throughout the strategy period, all infrastructure activities will have funds put aside for demining activities, to ensure the safety of workers and ultimate beneficiaries. Finally, public relations efforts will be redoubled to ensure that Afghans understand the benefits of USAID-funded activities, making them more willing to participate in them and ensure security for workers and for beneficiaries.

The breadth and complexity of USAID's mission

USAID/Afghanistan's activities were developed in response to pressing needs facing the country following the removal of the Taliban regime. This Strategic Plan for USAID/Afghanistan, the first since before the Soviet invasion in 1979, addresses in a coherent manner the continuing need for stabilization, the pressing need to introduce regulatory and economic reforms, and the urgent and complex requirement for capacity to plan and manage the implementation of this reform.

Within a relatively short time period, Afghanistan must:

- Transform a rapidly growing illicit economy based on poppy cultivation into a diverse and formal economy, led by the private sector, that raises incomes of most people, creates opportunity, and reduces poverty;
- Through support to democratic reform, legitimize the nascent political system as a viable alternative to the politics of violence, and promote new practices of conflict prevention, mitigation, and resolution;
- Strengthen the capacity of civil society organizations, such as business associations and the media, to advocate for the rights of Afghans, hold policy makers accountable, and help Afghans, especially women, to identify and grasp opportunities to enhance their social and economic well being;
- Restore social services, especially health and education; improve their quality and their accessibility.
- Ensure through continued best practices in project development and implementation that corruption from the center down to the district level is minimized and that a culture of transparency and accountability is fostered.

USAID's **mission** is to support the rapid transition of Afghanistan to a more stable and productive state through the promotion of democracy, rule of law and sustainable economic and social development that is responsive to citizens' needs. Its mission is centered on working with Afghans and others to achieve three interlinked Strategic Objectives:

- **A thriving economy led by the private sector;**
- **A democratic government with broad citizen participation;**
- **A better educated and healthier population.**

A Program Support System is designed to facilitate results, linkages, and use of tools that cut across these three objectives.

Each of USAID/Afghanistan's strategic objectives has three aspects: stability, reform, and capacity-building.

- **Stability** is an essential and immediate aim in helping fragile states. In the next year or so Afghans deserve to see significant, visible signs of positive change. The strategy continues current efforts to work with and through the government to provide security and stability in the immediate future. Key activities to restore stability include rebuilding infrastructure for transportation, power and water supply; reconstruction of public buildings, including schools, clinics, and courts; and administration of fair elections. The mission continues to strengthen and make better use of its Field Program Officers (FPOs) in the oversight of these kinds of projects and their relationship to longer-term development objectives.
- **Reform** of the conditions and policies that impede progress and foster fragility are well under way. During the next two or three years, USAID will help the government and private sector lay the foundation for further changes that will improve the lives of the people. These include new legislation and practices that create and sustain a market economy, reformed judicial processes, governance institutions, role and rights of the media, education and health systems policies, and the financing of public services.
- **Capacity-building** of institutions and infrastructure to support development is essential to the endurance of stability and reforms. The strategy supports long-term development and lasting

transformation of a fragile state into a strong one. Building capacity will require incentives for private sector investment as well as prolonged support for public institutions.

USAID/Afghanistan will build capacity in the ministries of commerce, education, health, justice, labor, rural development, agriculture, and those responsible for building and maintaining transport, energy, and water infrastructure.

Though in some respects stability, reform, and capacity-building are sequential goals, more often the strategy addresses two or even three of them simultaneously. Intermediate Results contributing to the first two aspects of Afghanistan's recovery should not be at odds with long-term capacity-building objectives. Annex 2 illustrates the three aspects of Intermediate Results. Because of the sometimes competing demands of reducing fragility, insecurity, and poverty, the sequence of activities from stability through reform to capacity-building has not been—nor is it expected to be, in the near future—logical in terms of pure development principles.

USAID/Afghanistan Strategic Objectives

The Strategic Objectives are summarized here. Annex 1 provides a list of Intermediate Results, and Annexes 4-11 describe them in full detail.

SO 1: A thriving economy led by the private sector

Afghanistan's economy manifests the conditions of fragility described in USAID's Fragile States Strategy. In keeping with that overall strategy, USAID/Afghanistan will foster institutional and policy development that promotes economic growth. At the vanguard of USAID's strategy is a set of programs to support economic growth led by the private sector. These include rehabilitation of the rural economy, improving economic policy and governance, developing financial organizations and services, increasing trade and export, and repairing and expanding the infrastructure for energy, transport, and water services. This is wholly consistent with the Afghan Government's strategic focus on creating an enabling environment for private sector led growth.

Afghanistan needs to construct an efficient agricultural economy that capitalizes on the opportunities offered by the globalization of agricultural markets and new technology developments, not merely to build back the agriculture of the past but to develop a dynamic, growth-oriented, market-driven agricultural sector capable of meeting food requirements and providing broad-based employment and income opportunities. With improved availability of and access to modern technologies and rehabilitated infrastructure, Afghan farmers can meet food sufficiency requirements. With enhanced business skills and linkages to markets, Afghan producers, service providers and processors can also develop to meet demands for high-value commodities and processed products. This kind of development, linked with the internationally-supported counter narcotics plan for Afghanistan, should eventually replace the opium-poppy dominance of the rural economy.

At present poor people in rural areas can neither increase technical capacity nor expand their access to markets solely on their own. Therefore USAID's strategy focuses on integrating farmers with sources of technology, financial services, market intermediaries, and agro-processors. The strategy uses a "value chain" approach, which improves farmers' capacity to produce quality products at competitive costs and link with processors and markets. The dynamism and sustainability of this chain is highly dependent on private sector participation and its ability to capture financial returns. When the potential for such returns is recognized, there will be incentive to sustain commercial activity and investment.

USAID will accelerate broad-based, sustainable regional economic development that provides opportunities for employment in the licit economy. USAID will focus a large portion of its funding in provinces in which poppy production is highest: initially Nangarhar, Kandahar, Helmand and

Badakhshan, then expanding into additional provinces. In these provinces, USAID will accelerate and intensify those components of its overall strategy that have a direct bearing on providing employment and economic growth. These include improving agriculture, building infrastructure (power, transportation, and water), increasing productive capacity, and stimulating enterprise development. In addition, USAID will help provide an economic safety net that keeps people in these provinces from falling into food insecurity as a result of lost income from poppy production. Together, these activities will increase the social and economic stability of poppy-growing areas, allowing farmers and laborers to choose other licit livelihoods. To ensure close collaboration with and buy-in by provincial leadership, USAID plans to co-locate both USPSC Field Officers and FSNs in Governors' offices. USAID will assign these Field Officers to ensure that provincial, district, and village leadership participate in project identification and implementation and are kept up to date with activities of contractors and grantees.

USAID's program will strengthen competitive markets and growth, which form the base upon which a stable and sustainable economy can be built. USAID will help the government improve economic policy and governance, including a more effective legal and regulatory environment for business, increased transparency and accountability in the dealings of the national government, and better management of revenues and expenditures. It will help the financial sector enhance its contribution to economic growth, with stronger financial organizations and increased access to financial services.

The private sector will grow as a consequence of a more developed land market, greater business and human resource capacity, and a restructuring of state-owned enterprises. Participation in global trade and investment will be enhanced through improved policies in trade, transit, and export and the use of international standards and best practices. Priorities include establishing monetary, fiscal, financial, legal, and regulatory frameworks supportive of competitive markets; increasing the capacity of government units to apply best practices in fiscal policy, financial management, and the supervision of regulated industries.

USAID will help develop financial organizations and credit mechanisms that share credit risks with lending institutions. It will help increase access to a broader range of financial services, including lines of credit for enterprises; equity and venture capital; risk management including insurance; microfinance and rural outreach; and essential financial infrastructure, such as a collateral registry, and new financial products, such as financial leasing. Enterprise growth will be promoted through support for private sector business and professional associations; it will help enhance competitiveness by returning resources to the private sector and by removing impediments to business. Measures will include the development of land markets, increasing business and human resource capacity, and restructuring state-owned enterprises. USAID will also assist in maximizing the contribution of trade and investment in economic growth through sound trade policy, international standards, harmonization of tariffs, and cross-border transit.

Rapid economic growth will not happen until basic physical infrastructure is repaired and expanded. This infrastructure is essential for agriculture and industry: It is required for market integration, attracting private investment, and for trade and other international economic ties. Construction of infrastructure is an immediate priority. Over the longer term, government and the private sector need far more capacity to operate and maintain infrastructure services.

USAID is helping Afghanistan to develop and build a sustainable and least cost supply system. Emergency measures will keep the lights on during 2004-2006 while the rehabilitation and reconstruction of the devastated electricity supply infrastructure is initiated. The program will tap domestic sources of power and power imports to assure lowest cost but high reliability of supply. Grid-connected and distributed power systems will receive an equal level of attention with focus on countrywide impact. Afghan human resources will be expanded and enabled through extensive

training. USAID will support the development of workable and usable institutional, policy, legal, and regulatory frameworks for the sector, with full participation of Afghans. Where practical, private-sector participation in the provision of energy services will be encouraged and supported, including local production of spare parts and renewable sources of energy, such as, mini and micro-hydro and solar/solar pumping and drying systems to create small business opportunities throughout the country. USAID, in cooperation with other donors, will facilitate the restart of Afghanistan's gas sector. USAID will fund a power plant using domestic natural gas in the Sheberghan area and co-finance a transmission grid to send the generated electricity throughout the northern provinces and into the Kabul area. USAID will support actions allowing Afghanistan to benefit from energy transactions between the energy rich Central Asian Republics and high demand countries of South Asia by acting as an efficient energy transit corridor.

USAID's continued execution of major transport infrastructure projects will provide Afghanistan with modern, tangible transportation assets, including national, provincial, and district roads. The program will support the development of cost-recovery mechanisms such as tolls and weigh stations, to ensure that Afghanistan can sustain the transport sector infrastructure. It will help the government coordinate the efforts of the donor community to ensure uniform standards and synchronized projects. USAID will develop Afghan capacity, both in the public and private sectors, by training managers and operators and helping them with process development and equipment / facilities procurement.

USAID will help increase access to safe drinking water in both rural and urban areas. It will assist government and the private sector in increasing the supply of water, expanding sanitation services, and building a strong technical and institutional foundation for sustaining the water and sanitation programs. USAID funds will also be used to carry out work expanding and improving irrigation networks.

Successful implementation of this strategic objective will contribute to the improvement of economic conditions, particularly supporting:

- A robust economy with sustained growth of between 9-11% annually, leading to an increase in household yearly income from \$200 to between \$300 and \$340.
- A growing rural economy provides viable options to poppy cultivation in 10 priority provinces.
- A balanced power supply including locally-generated and imported sources, increasing available power supply from the current 200MW to 1200MW.

SO 2: A democratic government with broad citizen participation

Economic growth will be impossible without a governance culture and institutions that are perceived by the people and the international community as legitimate enforcers of a rule of law and democratic processes.

USAID's overall strategy for fragile states emphasizes the importance of reforms within government institutions responsible for the rule of law; the role of reformers outside of government; oversight institutions, including legislative and parliamentary committees; free and fair elections; reform alliances among the private sector, NGOs, and political parties; and professionalism of the media. In keeping with this strategy, USAID/Afghanistan will help establish consensus on and adherence to the rules of the democratic game and the rule of law, a central theme of the national development framework of the Afghan government, particularly among tribal, regional and religious leaders. It will help establish a broadly-accepted national government and promote national unity to reduce the propensity for inter-group conflict, and curtail the role of warlords and extremists. USAID's programs will focus in four areas:

USAID's program will decrease obstacles to citizens accessing the formal court system, increase professionalism of judicial sector personnel, and strengthen the institutional capacity of critical judicial institutions. In post-conflict situations, reaffirming the centrality of the rule of law is a key prerequisite for the success of the reconstruction process. In addition, addressing the growing narcotics problem in Afghanistan and eradicating the drug trade require the development of a rule of law that supports legal market alternatives. Without respect for rule of law and a functioning justice system, it is impossible to hold criminals accountable, prosecute terrorists or those involved in the drug trade.

Afghan political players must navigate competing governing frameworks—a new central government of nascent democratic institutions and the existing, warlords, and in some areas, tribal structures. Political pluralism, enabling voices to be heard within the political process, will provide a necessary counter-weight to decentralized violence and lawlessness. Afghanistan has never had the strong institutions of a Western civil society, including independent non-ethnic political parties. Information about rights and responsibilities of citizens in a democratic society is generally lacking. Continued broad public discussions and consultations are needed to increase the number of people participating in decision making processes—particularly at a time when Afghans are open to change and desiring a greater public involvement and accountability of authorities and civil society. USAID's program will support the conduct and enhance the credibility of credible, participatory and fair elections; and strengthen democratic political parties.

Afghanistan's efforts to reassert itself as a legitimate, democratic nation-state will depend not only on functioning central institutions, but also on representative and local institutions that extend from the center to the farthest reaches of the Afghan borders. Establishing a sense of legitimacy and building trust in the institutions of state will require a representative parliamentary structure that provides some check on the executive and introduces inclusive power-sharing and nation-wide delivery of reconstruction efforts on an equitable and even-handed basis. USAID's program will help prepare the parliament to effectively perform its Constitutional role, and support democratic local governance.

USAID will work with Afghan NGOs to help build a dynamic Afghan civil society that can hold policy makers accountable, promote democratic principles, and engage as full partners with government and the private sector in the economic and political development of Afghanistan. At the same time, USAID will continue to ensure that NGOs are held accountable for quality work that is well-coordinated with GOA priorities, responding to concerns that many NGOs in Afghanistan use their tax-exempt status to undercut private sector enterprises. It will increase the contribution and viability of civil society in Afghanistan by providing capacity building training and small grants to civil society organizations showing potential to be sustainable, effective organizations. It will continue to support an enabling environment for the media.

The successful implementation of this strategy will lead to an accountable and independently functioning electoral administration, judiciary and parliament, specifically providing for:

- Increased capacity in the formal justice sector,
- Strengthened election and political processes,
- Strengthened institutions for good governance; and
- Increased presence, accountability, and performance of the non-governmental sector.

SO 3: A better educated and healthier population

The third critical piece of USAID/Afghanistan's strategy is to help rehabilitate and strengthen the capacity of health and education systems, particularly those sub-systems that provide basic

services. If Afghanistan is to develop its human capital (a goal of the Afghan Government's national development framework) it will need to work towards universal access to good quality basic health and education services. USAID will also strengthen services beyond the basic ones, where they are needed to loosen binding constraints to comprehensive health care and education systems. These will include, for example, provincial clinics, vocational workforce-skills-training programs, and higher education.

Only about 50 percent of the people have access to a place where they can get basic health services. The health situation of mothers and children, in particular, is grim. Estimates of maternal mortality in Afghanistan indicate that 1,600 mothers die per 100,000 live births, while 25% of children are expected to die before their fifth birthday. The main barrier to achieve more expansive coverage is the lack of appropriately qualified and supervised health care providers. The institutions that train health workers, and the systems that support their work after they graduate have deteriorated over the past 25 years. USAID's activities in the health sector will aim to reduce these constraints. The program will result in improved capacity of individuals, families and communities to protect their health. They will lead to stronger government health systems and improved capacity of the private sector to provide health products and services.

More specifically, USAID will fund health care worker training programs for doctors, nurses, midwives, and community health care workers and fund small grants to small NGOs for health service delivery. This will include ensuring that more people are able to receive the basic health care packages at clinics, which USAID will continue to build. USAID will strengthen the Ministry of Health's capacity to manage a comprehensive health care system and fund related health care activities.

Afghanistan never had a well developed education system and the years of Taliban rule severely damaged the system that previously existed. While it has the will to restore schooling throughout the country, the ministries of education lack the resources to do so, and nearly every component of the system needs support. USAID's program will focus on helping to improve teaching and to provide safe and healthy learning environments for students at each level: primary, secondary, and tertiary. It will also work with communities to improve the quality of literacy, numeracy, and other basic skills training that is integrated into community and economic development programs, and it will collaborate with other USAID sector programs and other agencies to develop a market for private vocational skills training. In addition, scholarships and on-the-job training will be used to provide opportunities for the advancement of education and ministerial capacity.

Through successful implementation of the strategic plan, USAID, along with other donors, will contribute to the following end-state:

- Seventy-five percent of Afghans have access to basic health care and primary education.

Program Support System: Synergistic use of linkages and tools to support cross-program components

USAID/Afghanistan is introducing an approach to coordinate and integrate results, linkages and tools across the first three Strategic Objectives. It will use this Program Support System (PSS) as the principal mechanism for such coordination and integration. To ensure efficiency of design, implementation, and tracking for results, activities that fall under the PSS will be funded under Strategic Objective 4, the Program Support Objective. The Program Support Objective will be extended through the length of this strategy. Examples of cross program components and SO4 include the following:

- Cross-program **emphases** (*most* SOs and IRs will include these issues in activity planning and implementation): women’s rights; conflict prevention, mitigation and resolution; counter-narcotics interventions.
- Cross-program **linkages** (activities that require coordination between *some* SOs or IRs): Vocational training (coordination between private-sector growth and education), and rural credit (coordination between private-sector growth and rural rehabilitation).
- Cross-program **tools** (use of particular resources for multiple results): Provincial Reconstruction Teams (PRTs) and USAID Field Program Officers (FPOs), information technology (IT), Global Development Alliances (GDAs), support for the public sector wage bill through the Afghan Reconstruction Trust Fund, and support to other GoA national programs, including the National Solidarity Program.

As a part of the Program Support objective, regional integration will be addressed through implementation of a cross-border program with Pakistan.

Over the five-year period of this Strategic Plan, USAID/Afghanistan will explore these and/or other cross-program components with the intention of strengthening those that help achieve objectives. The PSS will be managed by a team leader and technical support staff. It will have “membership” from each SO team.

Core values and key aspects of the strategy

USAID’s Strategic Plan is grounded in a doctrine of eight core values that guide choices among alternative tactics and implementation procedures.

- **Sustainability:** Activities are designed so that Afghan institutions, communities and individuals “own” the principles, processes and benefits introduced. Projects that entail construction of infrastructure, reform of processes and procedures, and provision of services have components that help ensure that Afghans have the capacity needed to carry them on, once USAID assistance is complete.
- **Responsiveness:** USAID/Afghanistan is actively engaged in the government’s process of policy formation and planning. It uses systematic means to listen to government and beneficiary communities in designing and implementing strategies. It sends clear messages to beneficiaries about why we are doing what we are doing. It also stays attuned to U.S. foreign policy and keeps policymakers informed of local developments that affect its program.
- **Transparency and accountability:** The Mission’s approach to anti-corruption closely follows the Agency strategy. In all transactions USAID/Afghanistan follows standards and regulations that ensure transparency and accountability. Beyond this it sets an example, working with an honest, open, and direct manner with all partners. The Mission will use every opportunity to engage other US agencies and international donors in similar approaches to ensure transparency and accountability of all programs. As the strategy unfolds over the next five years, more attention will be given to capacity building and institutional reform, key elements under the Agency’s corruption strategy.

The Agency’s anti-corruption strategy also suggests a multi-sector approach to the problem. The USAID Afghanistan strategy will continue to:

- support civil society and media, providing the Afghan constituency vehicles to strengthen demand for accountability and transparency and to demand institutional reform,

- establish basic transparency and accountability standards through continuing banking supervision reform, strengthening land titling and land tenure procedures, encouraging small and medium business, promoting business associations, and strengthening oversight institutions, such as the Ministry of Finance, especially Customs collection,
- strengthen the rule of law through training of prosecutors and increasing the efficiency of court administration,
- improve democratic processes through continued election training and support, training of Parliamentarians, and,
- encourage competition through privatization, support to small and medium enterprises, and promoting business associations.

Other elements of the anti-corruption approach include involving other USG agencies and international donors in solving the problem, and, through public relations activities, spreading the word on accountability, transparency, and openness. The Mission is also working closely with the GOA on civil service reform, the first step in the process of ensuring merit based promotion and a rational pay system. The strategy is mindful that the Agency's anti-corruption strategy stresses that solving the anti-corruption problem is a long term proposition. The theme will remain constant throughout the duration of this strategy and into the future.

- **Conflict mitigation:** USAID/Afghanistan's strategy and programs recognize the overriding importance of transforming Afghanistan's leadership culture into one of conflict prevention, mitigation, and resolution. Conflict mitigation is a cross-cutting objective, built into all objectives, programs, and results.
- **Gender equity:** USAID/Afghanistan has built gender-equity elements into every aspect of its program. It has formulated strategies and activities based on an analysis of how they affect both men and women, girls and boys, and it is making extra efforts to alter the deplorable status of women in many communities and institutions.
- **Local context:** USAID/Afghanistan is tying its sector approach to programming with integrated delivery of services at the provincial level. It is marrying technical expertise of sector specialists with local expertise of USAID Field Program Staff (in Provincial Reconstruction Teams) and other implementation partners working at the local level. This is still challenging in Afghanistan, where, as of this writing, security remains a serious concern.
- **Results orientation:** USAID/Afghanistan uses systems and structures that help staff and partners manage programs effectively and efficiently. Recognizing the unique characteristics of the Afghanistan program, it is adjusting its systems and structures to achieve results within agreed-upon schedules.
- **Collaboration:** USAID/Afghanistan collaborates closely with development partners to reach mutual goals and objectives. In particular, it works closely with other U.S. government agencies and with donor and lender agencies and NGOs in Afghanistan.

Partners in achieving objectives

The country's government and private sector still depend on extensive international assistance. In Afghan Year 1384, only approximately half of the government's recurrent budget costs are expected to be met through locally-generated revenues, with the balance being provided by donor countries. Because other donors represent a sizeable percentage of this external revenue, USAID must work in partnership with the Afghan government, other U.S. government agencies,

international organizations, contractors and grantees in guiding a complex strategy for addressing these challenges simultaneously.

Among bilateral donors, USAID has the most resources and significant strength in analytical skills and programming experience. It therefore wields influence with the Afghan government and with other donors. In addition, the U.S. government has the most invested in the success of Afghanistan's recovery and development. USAID is therefore a key player in the following network of partners:

- Agencies of the Afghan government, particularly the ministries of commerce, justice, education, health, energy, transportation, rural development, and finance.
- Agencies of the U.S. government: the departments of state, defense, agriculture, energy, and treasury; the U.S. Army Corps of Engineers, the U.S. Trade and Development Agency, and the U.S. Geological Survey.
- Multi-lateral and bi-lateral agencies, including the World Bank, the Asian Development Bank (ADB), the British Department of International Development (DfID), and the Japanese International Development Agency (JICA).
- Contractors and grantees, including international NGOs and local NGOs.

Other Donors

With \$1.2 billion obligated in FY 04, USAID's total obligations are more than all other donors combined. The UK (main funding for economic governance, democracy and governance, counter narcotics) is the second biggest bi-lateral donor. Other large bi-lateral donors include Japan (main funding for transport, economic governance, health, education), Germany (main funding for education, economic governance), Canada (main funding for economic governance, democracy and governance), India (main funding for power, roads), Saudi Arabia (main funding for roads), Italy (main funding for economic governance, democracy and governance), Iran (main funding for roads) and the Scandinavian countries. The key multi-lateral donors include the World Bank, the EU, and the ADB. Most funds from these donors include budgetary support, roads, health, educations, power, micro enterprise, and democracy and governance. USAID works closely with other donors to ensure that they fund complimentary projects. For example, though USAID's insistence, the Indians have recently agreed to fully fund key projects in the power sector, and the Japanese are looking closely at continuing work on a section of the Khandahar-Herat Road. USAID will continue to engage other donors in identifying and funding complimentary projects.

As a result of the Berlin Conference, the GOA, supported by the international community, formed twelve "consultative groups" within the framework of the country's National Development Priorities. USAID participates actively in many of the consultative groups in technical areas such as transport, rule of law and justice, economic development, health, education, and agriculture. Complimenting the CGs are advisory groups, which cover cross cutting themes, such as gender, human rights, and the environment. Agency heads participate in regular meetings of the Consultative Group Standing Committee, which concentrates on overall policy and donor coordination. The CG process works well in some areas and not so well in others. It is a good model, but there needs to be more buy-in from all donors to make them fully functional. To the extent possible, USAID will continue to work with other donors on regularizing all of the consultative groups to ensure continuing inter-donor communication.

Implications of changes in funding scenarios

Afghanistan requires prolonged, extensive interventions across a broad range of objectives. While robust funding is required to ensure success, the Strategy recognizes the possibility of reductions in funding during the next five years below those anticipated in Annex 3 of this document. If this occurs, USAID/Afghanistan will direct an interagency process at Post of determining where to reduce funding. The process will involve the Embassy's Interagency Resources Committee (IRC), USAID Washington, and the AIOG. The process will balance the diminishing need for the highly visible, “**symbolic**”, interventions, with the growing need to build the capacity of the Afghan people to manage their own development, to create wealth and generate revenue, to institute a rule of law, and to provide critical services. Current political considerations, driven by Congressional and senior Administration concerns and actors, will also be part of the discussion. This strategy assumes that the process will result in a cut back on infrastructure projects, which are expensive, and focus on ways to turn these over to other agencies. It will also make a concerted effort to bring in support from other bi-lateral and multi-lateral agencies, though without sacrificing USAID predominance as a major donor and thus USG influence on government policy development.

In any case, during the period of this strategy, the Mission does not intend to embark on any new strategic areas. Planning and budget limitations forced the Mission to make difficult choices over the past two years. There is no robust support for a comprehensive water program, urban development, and financial sector reform, although the Mission does have small projects in all three areas.

In more specific terms, if cuts are made, further difficult choices will have to be made. One possible scenario of decreased funding would be decreases in the numbers of schools and clinics, and roads. The next tier of decreases would come in the power sector and further development of the physical infrastructure for industrial parks. Focus would continue on strengthening government institutions, rule of law, encouraging private sector development, and health and education programs.

In simple terms, an increased appropriation would likely be directed to infrastructure components of the strategy, probably electrical power generation and distribution, road building, and water systems.

A lower than projected appropriation would result in scaling back needed infrastructure investments.

Financial parameters

Annex 3 displays an estimate of projected funding over the five-year period of the Strategic Plan and how that funding will be allocated among Strategic Objectives and Intermediate Results.

Out-year budget figures are speculative. This strategy assumes that the United States must remain engaged and that Afghan reconstruction and development will continue to be a priority US foreign policy objective over the next five years.

Budget projections assume a straight line through the end of the strategy period to reflect continued importance of Afghan reconstruction to U.S. foreign policy interests.

Annex 1. Strategic Objectives, Intermediate Results, and Program Components

SOs and IRs

USAID Program components

SO 1 A thriving economy led by the private sector

IR 1.1 Rehabilitate the rural economy

IR 1.1.1 Accelerate market-led growth in agriculture

Expand domestic and international markets for agriculture crops
Increase productivity of livestock sector and expand its market
Establish functional rural financial system
Improve agriculture support services (research and extension)
Enhance management of renewable natural resources

6. Improve agricultural productivity

1. Increase participation in global trade and investment

8. Improve sustainable management of natural resources and biodiversity conservation

30. Develop and expand alternative development

IR 1.1.2 Accelerate regional development to generate alternative livelihoods

Accelerate economic growth and business activity in selected provinces
Provide an immediate social safety net for those falling into poverty

IR 1.2 Increase incomes through economic growth

IR 1.2.1 Improve economic policy and governance

Legal and regulatory environment for business improved
National government transparency and accountability increased
Revenue and expenditure management strengthened

2. Improve economic policy and governance

IR 1.2.2 Enhance the financial sector's contribution to economic growth

Financial organizations developed
Access to financial services increased

4. Strengthen financial sector's contribution to economic growth

IR 1.2.3 Improve private sector growth

Land market developed
Business and human resource capacity increased
State-owned enterprises restructured

3. Increase private sector growth

IR 1.2.4 Enhance participation in global trade and investment

Trade policy, transit and export improved

1. Increase participation in global trade and investment

<u>IR 1.3</u>	International standards and best practices adopted <u>Expand and improve access to economic infrastructure</u>	5. Expand and improve access to economic infrastructure (energy, ICT, telecommunications, transportation, power, irrigation, schools and health clinics)
IR 1.3.1	Stabilize, improve access and expand reliable, affordable energy services Build a sustainable operating system Shift to indigenous sources of power Create and strengthen human and system resources Create and support policy, legal and regulatory frameworks Create private-sector support for the energy sector	
IR 1.3.2	Expand and improve access to transportation Construct and develop the transport infrastructure; physical rehabilitation of roads, civil aviation, and rail facilities Support coordination procedures and unified standards Build capacity in the sector to plan, execute, and operate and maintain the transport infrastructure	
IR 1.3.3	Expand access to water supplies and sanitation Increase access to safe drinking water Expand sanitation services Develop the technical and institutional foundation for sustaining the water and sanitation programs	10. Improve access to clean water and sanitation
SO 2	A democratic government with broad citizen participation	
<u>IR 2.1</u>	<u>Build capacity of the formal justice sector</u> Decrease obstacles to citizens accessing the formal justice sector Increase professionalism of judicial sector personnel Strengthen the institutional capacity for lawmaking and technical drafting	21. Improve the justice sector and legal framework 29. Protect human rights and equal access to justice
<u>IR 2.2</u>	<u>Strengthen election and political processes</u> Support the conduct and enhance the credibility of non-violent, participatory and fair elections Strengthen democratic political parties	24. Promote and support free and fair elections 25. Strengthen democratic political parties
<u>IR 2.3</u>	<u>Strengthen institutions for good governance</u> Strengthening democratic national institutions: Preparing the Parliament to effectively perform its Constitutional role	22. Strengthen democratic national governance institutions

<p><u>IR 2.4</u></p>	<p>Support democratic local government</p> <p><u>Increase the presence and performance of the non-governmental sector</u></p> <p>Improve Legal and Regulatory Framework</p> <p>Increase the capacity of civil society organizations</p> <p>Media</p>	<p>23. Support democratic local government and decentralization</p> <p>26. Strengthen civil society</p> <p>27. Establish and ensure media freedom and freedom of information</p>
<p>SO 3</p>	<p>A better educated and healthier population</p>	
<p><u>IR 3.1</u></p>	<p><u>Increase access of women and children under the age of five to quality basic health services, especially in the rural and underserved areas</u></p> <p>Expand the access to quality BPHS services</p> <p>Improve the capacity of individuals, families and communities to protect their health</p> <p>Strengthen government health systems</p> <p>Improve the capacity of the private sector to provide health products and services</p>	<p>17. Improve child survival, health and nutrition</p> <p>18. Improve maternal health and nutrition</p> <p>19. Reduce unintended pregnancy and improve healthy reproductive behavior</p>
<p><u>IR 3.2</u></p>	<p><u>Increase access to quality teaching and suitable learning environments</u></p> <p>Provide students with knowledge and skills to better prepare them for productive lives</p> <p>Improve quality of teaching and learning in selected tertiary faculties and institutions</p> <p>Provide adults and youth, especially women and girls, with the skills and underpinning knowledge needed to sustain economic and social development</p>	<p>20. Build health systems capacity</p> <p>11. Improve the quality of basic education</p> <p>12. Improve institutions of higher education</p> <p>13. Improve quality of workforce</p>

Annex 2. Aspects of the strategy: Stability, reform, capacity-building

SO 1		A thriving economy led by the private sector		Stability	Reform	Capacity
IR.1.1		Rehabilitate the rural economy				
IR 1.1.1		Accelerate market-led growth in agriculture				
				Expand domestic and international markets for agriculture crops	Expand domestic and international markets for agriculture crops	
				Increase productivity of livestock sector and expand its market	Increase productivity of livestock sector and expand its market	
				Establish functional rural financial system	Establish functional rural financial system	
				Improve agriculture support services (research and extension)	Improve agriculture support services (research and extension)	
			Enhance management of renewable natural resources	Enhance management of renewable natural resources		
IR 1.1.2		Accelerate regional development to generate alternative livelihoods				
				Accelerate economic growth and business activity in selected provinces	Accelerate economic growth and business activity in selected provinces	
			Provide an immediate social safety net for those falling into poverty			
IR 1.2		Increase incomes through economic growth				
IR 1.2.1		Improve economic policy and governance				
-				Legal and regulatory environment for business improved		
-				National government transparency and accountability increased		
-						Revenue and expenditure management strengthened

IR 1.2.2	Enhance the financial sector's contribution to economic growth			
			Financial organizations developed	Financial organizations developed
			Access to financial services increased	Access to financial services increased
IR 1.2.3	Improve private sector growth			
			Land market developed	
				Business and human resource capacity increased
			State-owned enterprises restructured	
IR 1.2.4	Enhance participation in global trade and investment			
-			Trade policy, transit and export improved	Trade policy, transit and export improved
-			International standards and best practices adopted	
IR.1.3	<u>Expand and improve access to economic infrastructure</u>			
IR.1.3.1	<u>Stabilize, improve access and expand reliable, affordable energy services</u>			
		Build a sustainable operating system		
		Shift to indigenous sources of power		
				Create and strengthen human and system resources
			Create and support policy, legal and regulatory frameworks	
				Create private-sector support for the energy sector
IR 1.3.2	<u>Expand and improve access to transportation</u>			
		Construct and develop the transport infrastructure; physical rehabilitation of roads, civil aviation, and rail facilities		
			Support coordination procedures and unified standards	

					Build capacity in the sector to plan, execute, and operate and maintain the transport infrastructure
IR 1.3.3	Expand access to water supplies and sanitation				
			Increase access to safe drinking water		
			Expand sanitation services		
				Develop the technical and institutional foundation for sustaining the water and sanitation programs	Develop the technical and institutional foundation for sustaining the water and sanitation programs
SO 2	A democratic government with broad citizen participation				
<u>IR 2.1</u>	<u>Build capacity of the formal justice sector</u>				
-				Decrease obstacles to citizens accessing the formal justice sector	Decrease obstacles to citizens accessing the formal justice sector
-					Increase professionalism of judicial sector personnel
-					Strengthen the institutional capacity for lawmaking and technical drafting
<u>IR 2.2</u>	<u>Strengthen election and political processes</u>				
-			Support the conduct and enhance the credibility of non-violent, participatory and fair elections		
-					Strengthen democratic political parties
<u>IR 2.3</u>	<u>Strengthen institutions for good governance</u>				
-					Strengthening democratic national institutions: Preparing the Parliament to effectively perform its Constitutional role
-					Support democratic local government

<u>IR 2.4</u>	<u>Increase the presence and performance of the non-governmental sector</u>			
-			Improve Legal and Regulatory Framework	
-				Increase the capacity of civil society organizations
-		Media		
SO 3	A better educated and healthier population			
<u>IR 3.1</u>	<u>Increase access of women and children under the age of five to quality basic health services, especially in the rural and underserved areas</u>			
		Expand the access to quality BPHS services		Expand the access to quality BPHS services
				Improve the capacity of individuals, families and communities to protect their health
			Strengthen government health systems	Strengthen government health systems
				Improve the capacity of the private sector to provide health products and services
<u>IR 3.2</u>	<u>Increase access to quality teaching and suitable learning environments</u>			
		Provide students with knowledge and skills to better prepare them for productive lives		Provide students with knowledge and skills to better prepare them for productive lives
				Improve quality of teaching and learning in selected tertiary faculties and institutions
		Provide adults and youth, especially women and girls, with the skills and underpinning knowledge needed to sustain economic and social development		Provide adults and youth, especially women and girls, with the skills and underpinning knowledge needed to sustain economic and social development

Annex 3. Estimated budget allocations

		Projected budget allocations (\$M)					
		2005	2006	2007	2008	2009	2010
SO 5	A thriving economy led by the private sector Infrastructure, Economic Growth, Agriculture	1,067	195.8	425	425	425	420
SO 6	A democratic government with broad citizen participation Elections, Parliamentary Support, Civil Society, Media, Rule of Law	105	280	245	215	210	200
SO 7	A better educated and healthier population Health, Education	240	110	260	290	295	310
SO 4	Program Support Cross-cutting initiatives - includes PRT and DDR programs.	98.1	37	70	70	70	70
TOTAL:		1,510.1	622.8	1000.00	1000.00	1000.00	1000.00

Figures are based on funding levels required to achieve the goals outlined in this strategy, as determined by USAID/Afghanistan.

Budget allocations 2005-10

